AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1237

Introduced by Assembly Member Garrick Members Garrick and Duvall

February 27, 2009

An act to amend Section 44012 of the Health and Safety Code, relating to vehicle emissions. An act to add Section 11713.07 to the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1237, as amended, Garrick. Air resources: vehicle emissions: smog cheeks. Vehicles: manufacturers and distributors.

(1) Existing law generally requires a manufacturer, manufacturer branch, remanufacturer, remanufacturer branch, distributor, distributor branch, transporter, or dealer of vehicles to be licensed by the Department of Motor Vehicles. Under existing law, it is unlawful for a manufacturer, manufacturer branch, distributor, or distributor branch to, among other things, dishonor a warranty, rebate, or other incentive offered to the public or a dealer, as specified, or to unfairly discriminate in favor of a dealership owned or controlled, in whole or part, by a manufacturer or an entity that controls or is controlled by a manufacturer or distributor.

This bill would make it unlawful for a manufacturer, manufacturer branch, distributor, or distributor branch, after written demand, to fail to repurchase a noncompliant new motorcycle, all-terrain vehicle, or item of related merchandise originally purchased by a franchisee from the manufacturer or from another franchisee. The bill would require that the repurchase price be the original dealer cost charged by the

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manufacturer or distributor plus any charges made by the manufacturer or distributor for vehicle distribution or delivery and the cost of any dealer-installed original equipment. The bill would provide that these provisions would not apply to products originally delivered by the manufacturer or distributor to a dealer more than 24 months prior to the repurchase demand.

(2) Under existing law, a violation of the above provisions relating to occupational licensing and business regulations in the Vehicle Code is a misdemeanor.

Because the bill would create a new crime, it would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law establishes a motor vehicle inspection and maintenance program (smog check), administered by the Department of Consumer Affairs, that provides for the inspection of all motor vehicles, except as specified, upon registration, biennally, upon transfer of ownership, and in certain other circumstances.

Existing law requires that tests at smog check stations require, for all vehicles that are not diesel-powered, loaded dynamometer testing in enhanced program areas, as defined, and 2-speed testing in all other program areas, as defined.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11713.07 is added to the Vehicle Code,
- 2 to read:
- 3 11713.07. (a) It is unlawful and a violation of this code for a
- 4 manufacturer, manufacturer branch, distributor, or distributor
- 5 branch licensed under this code, after written demand, to fail to
- 6 repurchase any noncompliant new motorcycle, all-terrain vehicle,
- 7 or item of related merchandise originally purchased by a

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franchisee from the manufacturer or from another franchisee. The repurchase price shall be the original dealer cost charged by the manufacturer or distributor plus any charges made by the manufacturer or distributor for vehicle distribution or delivery and the cost of any dealer-installed original equipment accessories.

- (b) For purposes of this section, a new motorcycle, all-terrain vehicle, or item of related merchandise is noncompliant if all of the following apply:
- (1) A notice is issued by the manufacturer or distributor or governmental agency having jurisdiction that the item fails to comply with federal or state product safety requirements or that its retail sale would otherwise be prohibited by law.
- (2) The noncompliance was not the result of any damage, modification, or other act or omission taking place after the original shipment of the product by the manufacturer or distributor.
- (3) The manufacturer or distributor has failed to provide at no cost to the dealer a means of curing the noncompliance within a reasonable time not to exceed 30 days after receipt of the notice specified in paragraph (1).
- (c) For purposes of this section, "related merchandise" means parts and accessories for exclusive use with a motorcycle or all-terrain vehicle subject to repurchase and all helmets, gloves, and related motorcycle and all-terrain vehicle safety apparel.
- (d) This section does not apply to products originally delivered by the manufacturer or distributor to a dealer more than 24 months prior to the repurchase demand.
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.
- SECTION 1. Section 44012 of the Health and Safety Code, as added by Section 5 of Chapter 739 of the Statutes of 2007, is amended to read:
- 44012. (a) The test at the smog check stations shall be performed in accordance with procedures prescribed by the

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department, pursuant to Section 44013, and shall require, at a minimum, for all vehicles that are not diesel-powered, loaded mode dynamometer testing in enhanced areas, and two-speed testing in all other program areas. The department shall ensure all of the following:

- (1) Emission control systems required by state and federal law are reducing excess emissions in accordance with the standards adopted pursuant to subdivisions (a) and (c) of Section 44013.
- (2) Motor vehicles are preconditioned to ensure representative and stabilized operation of the vehicle's emission control system.
- (3) For other than diesel-powered vehicles, the vehicle's exhaust emissions of hydrocarbons, carbon monoxide, carbon dioxide, and oxides of nitrogen in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. In determining how loaded mode and evaporative emissions testing shall be conducted, the department shall ensure that the emission reduction targets for the enhanced program are met.
- (4) For other than diesel-powered vehicles, the vehicle's fuel evaporative system and crankcase ventilation system are tested to reduce any nonexhaust sources of volatile organic compound emissions, in accordance with procedures prescribed by the department.
- (5) For diesel-powered vehicles, a visual inspection is made of emission control devices and the vehicle's exhaust emissions are tested in accordance with procedures prescribed by the department, that may include, but are not limited to, on-board diagnostic testing. The test may include testing of emissions of any or all of the pollutants specified in subdivision (c) and, upon the adoption of applicable standards, measurement of emissions of smoke or particulates, or both.
- (6) A visual or functional check is made of emission control devices specified by the department, including the catalytic converter in those instances in which the department determines it to be necessary to meet the findings of Section 44001. The visual or functional check shall be performed in accordance with procedures prescribed by the department.
- (7) A determination is made as to whether the motor vehicle complies with the emission standards for that vehicle's class and model-year as prescribed by the department.

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(b) The test procedures may authorize smog check stations to refuse the testing of a vehicle that would be unsafe to test, or that cannot physically be inspected, as specified by the department by regulation. The refusal to test a vehicle for those reasons shall not excuse or exempt the vehicle from compliance with all applicable requirements of this chapter.

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(c) This section shall become operative on January 1, 2010.